

**KHIND HOLDINGS BERHAD (380310-D)**

(Incorporated in Malaysia)

The directors are pleased to announce the unaudited condensed consolidated quarterly report for the twelve months period ended 31 December 2014

**Condensed Consolidated Statement of Comprehensive Income**  
**For the twelve months period ended 31 December 2014 - Unaudited**

	Individual Period		Cumulative Period	
	31 December		31 December	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue	79,069	80,578	319,051	325,035
Cost of sales	(54,342)	(56,894)	(218,514)	(222,229)
Gross profit	24,727	23,684	100,537	102,806
Other operating income	285	(13)	2,720	5,892
Interest income	110	85	322	295
Operating expenses	(20,728)	(19,507)	(85,877)	(85,656)
Finance cost	(862)	(818)	(2,988)	(3,241)
Profit before tax	3,532	3,431	14,714	20,096
Tax expense	(465)	(262)	(2,553)	(3,860)
Net profit for the period	3,067	3,169	12,161	16,236
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	1,300	114	1,031	974
Total comprehensive income	4,367	3,283	13,192	17,210
Profit attributable to:				
Equity holders of the parent	3,067	3,169	12,161	16,236
Non-controlling interest	0	0	0	0
	3,067	3,169	12,161	16,236
Basic earning per share attributable to equity holders of the parent (sen)	7.66	7.91	30.36	40.53

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013)

**KHIND HOLDINGS BERHAD (380310-D)**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position**  
**As at 31 December 2014 - Unaudited**

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	58,622	49,634
Prepaid lease payments	2,099	2,298
Investment property	2,966	3,090
Intangible assets	3,989	3,970
Deferred Tax Assets	3,636	4,262
	<u>71,312</u>	<u>63,254</u>
<i>Current assets</i>		
Other Investment	1,292	1,300
Trade and other receivables	74,139	69,044
Inventories	63,678	61,715
Current tax assets	1,978	73
Cash and cash equivalents	40,187	37,450
	<u>181,274</u>	<u>169,582</u>
<b>TOTAL ASSETS</b>	<u>252,586</u>	<u>232,836</u>
<b>EQUITY AND LIABILITIES</b>		
<i>Capital and reserves</i>		
Share capital	40,059	40,059
Translation reserve	2,338	1,307
Reserves	70,787	62,632
Total equity attributable to owner of the Company	<u>113,184</u>	<u>103,998</u>
<b>Total equity</b>	<u>113,184</u>	<u>103,998</u>
<i>Non Current liabilities</i>		
Borrowings	29,010	23,377
Deferred tax liabilities	1,911	2,202
	<u>30,921</u>	<u>25,579</u>
<i>Current liabilities</i>		
Trade and other payables	55,748	53,598
Loans and borrowings	51,895	47,481
Current tax liabilities	838	2,180
	<u>108,481</u>	<u>103,259</u>
<b>Total liabilities</b>	<u>139,402</u>	<u>128,838</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>252,586</u>	<u>232,836</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>2.83</u>	<u>2.60</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013)

**KHIND HOLDINGS BERHAD (380310-D)**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity**  
**For the twelve months ended 31 December 2014 - Unaudited**

	← Attributable to Equity Holders of the Parent →			
	Share Capital RM'000	Non Distributable <sup>▲</sup> Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000
<b><u>12 months ended 31 December 2013</u></b>				
<b>At 1 January 2013</b>	<b>40,059</b>	<b>333</b>	<b>50,402</b>	<b>90,794</b>
Total comprehensive income for the period	0	974	16,236	17,210
Dividends to shareholders	0	0	(4,006)	(4,006)
<b>At 31 December 2013</b>	<b>40,059</b>	<b>1,307</b>	<b>62,632</b>	<b>103,998</b>
<b><u>12 months ended 31 December 2014</u></b>				
<b>At 1 January 2014</b>	<b>40,059</b>	<b>1,307</b>	<b>62,632</b>	<b>103,998</b>
Total comprehensive income for the period	0	1,031	12,161	13,192
Dividends to shareholders	0	0	(4,006)	(4,006)
<b>At 31 December 2014</b>	<b>40,059</b>	<b>2,338</b>	<b>70,787</b>	<b>113,184</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013)

**KHIND HOLDINGS BERHAD (380310-D)**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows**  
**For the twelve months period ended 31 December 2014 - Unaudited**

	31 December 2014 RM'000	31 December 2013 RM'000
Profit before taxation	14,714	20,096
Adjustment for :		
Depreciation & amortisation	4,359	3,293
Finance cost	2,988	3,241
Interest income	(322)	(295)
Net gain on disposal of property, plant and equipment	(146)	(4,031)
Change in fair value of financial assets	9	(136)
Operating profit before changes in working capital	21,602	22,168
Changes in working capital :		
Inventories	(1,963)	(4,596)
Trade and other receivables	(5,093)	(6,464)
Payables and accruals	2,151	4,239
Cash generated from operations	16,697	15,347
Tax refunded	63	229
Tax paid	(5,431)	(3,954)
Net cash generated from operating activities	11,329	11,622
Cash flows from investing activities		
Interest income	322	295
Acquisition of property, plant and equipment	(4,973)	(8,046)
Acquisition of intangible assets	(39)	(59)
Proceeds from disposal of : - property, plant and equipment	251	11,177
Net cash (used in) / generated from investing activities	(4,439)	3,367
Cash flows from financing activities		
Dividend paid to shareholders	(4,006)	(4,006)
Finance cost	(2,988)	(3,241)
Drawdown / (Repayment) of bank borrowings	3,090	(4,433)
Repayment of hire purchase liabilities	(1,174)	(1,013)
Net cash used in financing activities	(5,078)	(12,693)
Net (decrease) / increase in cash and cash equivalents	1,812	2,296
Cash and cash equivalents at beginning of financial period	36,162	33,023
Effect of exchange rate changes	1,125	843
Cash and cash equivalents at end of financial period	39,099	36,162

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Cash and bank balances	40,187	37,450
Bank overdrafts	(1,088)	(1,288)
	39,099	36,162

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013)

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2014

## Notes to the Interim Financial Report

### 1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2013.

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

### 2. Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group as at 30 September 2014 are consistent with those adopted in audited financial statements for the year ended 31 December 2013.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group :

#### ***MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014***

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011 – 2013 Cycle)
Amendments to MFRS 2	Share-based Payment (Annual Improvements 2010 – 2012 Cycle)
Amendments to MFRS 3	Business Combination (Annual Improvements 2010 – 2012 Cycle and 2011 – 2013 Cycle)
Amendments to MFRS 8	Operating Segments (Annual Improvements 2010 – 2012 Cycle)
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements 2010 – 2012 Cycle and 2011 – 2013 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010 – 2012 Cycle)
Amendments to MFRS 119	Employee Benefits – Defined Benefit Plans : Employee Contributions
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements 2010 – 2012 Cycle)
Amendments to MFRS 138	Intangible Assets (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 140	Investment Property (Annual Improvements 2011-2013 Cycle)

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016***

Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 7	Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)

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## 2. Significant Accounting Policies (continued)

### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (continued)***

Amendments to MFRS 10	Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 10	Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure Initiative
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants
Amendments to MFRS 119	Employee Benefits (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 127	Separate Financial Statements – Equity Method in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017***

MFRS 15	Revenue from Contracts with Customers
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### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018***

MFRS 9	Financial Instruments (2014)
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## 3. Audit qualification

The auditor's report on the financial statements of the Group and the Company for the year ended 31 December 2013 was not subject to any qualification.

## 4. Seasonal or cyclical factors

Generally, sales of our products are enhanced during festive seasons celebrated in Malaysia.

## 5. Unusual items

Other than those stated in the notes, there were no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

## 6. Changes in estimates

There were no changes in estimates for the financial period under review.

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2014

## 7. Issuance or repayment of debts and equity securities

There were no other issuance and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

## 8. Dividend paid

The Company paid an interim tax exempt dividend of 10.00 sen per ordinary share totalling RM4,005,900 in respect of the year ended 31 December 2014 on 29 October 2014.

## 9. Segment reporting

The Group has three reportable segments, as described below, which are the Group's strategic business units.

- (i) Investment holdings – includes the holding of investment in subsidiaries
- (ii) Trading and service – includes trading of electrical products and providing general repair and rework services
- (iii) Manufacturing – includes manufacturing and distribution of electrical products

	Investment holding		Trading & service		Manufacturing		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Turnover</b>										
External										
Local	-	-	149,972	173,270	12,121	15,077			162,093	188,347
Overseas	-	-	146,544	122,999	10,414	13,689			156,958	136,688
Internal	25,555	16,983	8,372	6,918	57,050	68,990	(90,977)	(92,891)	-	-
Total revenue	25,555	16,983	304,888	303,187	79,585	97,756	(90,977)	(92,891)	319,051	325,035
Segment results	15,937	8,081	15,358	15,097	8,012	8,568	(21,927)	(12,892)	17,380	18,854
Other income									-	4,188
Finance cost									(2,988)	(3,241)
Interest income									322	295
Profit before tax									14,714	20,096
Tax expense									(2,553)	(3,860)
Net profit									12,161	16,236

Year 2014 refers to 12 months period ended 31.12.2014 as compare to the corresponding 12 months in the preceding year.

## 10. Valuation of property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual financial statements.

## 11. Material subsequent events

As at the date of issue of this quarterly report, there were no material events subsequent to the end of this period reported on that have not been reflected in the financial statement for the said period.

## 12. Changes in the composition of the group

There were no changes in the composition of the Group during the current quarter.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2014

## 13. Contingent liabilities

As at 31.12.2014, the company has given corporate guarantee for banking facilities obtained by subsidiaries to meet the liabilities and financial obligations of its subsidiaries amounting to RM139.16 million. The contingent liabilities of its subsidiaries pertaining to utilise trade line facilities amounted to RM5.59 million.

## 14. Key management personnel compensation

Total compensation to Directors of the Company and other members of key management during the year under review are as follows:

	31/12/14 RM'000	31/12/13 RM'000
Directors of the Company	2,126	1,925
Other key management personnel	6,648	6,149

## 15. Related party transactions

Transactions with related parties during the quarter under review are as follows:-

	Transaction value 12 months ended		Balance as at	
	31/12/14 RM'000	31/12/13 RM'000	31/12/14 RM'000	31/12/13 RM'000
<i>Sales to :-</i>				
HSL E & E Corp (M) Sdn Bhd	-	-	14	14
<i>Purchase from :-</i>				
- Hupson Industries Sdn Bhd	-	-	-	-

These transactions had been entered into in the normal course of business and had been established under negotiated terms.



# **KHIND HOLDINGS BERHAD**

Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2014

## **ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

### **1. Review of Performance**

#### **Comparison results of current quarter and previous corresponding quarter**

The Group recorded revenue of RM79.07 million for the current quarter under review representing a decrease of 1.9% over revenue of RM80.58 million of previous corresponding quarter.

The Group recorded profit before tax of RM3.53 million for the current quarter under review representing an increase of 2.9% over profit before tax of RM3.43 million of previous corresponding quarter.

#### **Comparison results of current period and previous corresponding period**

The Group recorded revenue of RM319.05 million for the current period under review representing a slight decrease of 1.8% over revenue of RM325.04 million of previous corresponding period.

The Group recorded profit before tax of RM14.71 million for the current period under review representing a decrease of 26.8% over profit before tax of RM20.10 million of previous corresponding period. The significant decrease was mainly due to the one-off recognition of gains on disposal of properties in previous corresponding period.

The performance of the business segments for the current period is described as below:

#### **1) Investment Holdings Division**

The division recorded higher revenue and profit before tax for the current period mainly due to higher dividend received from subsidiaries.

#### **2) Trading and Service Division**

The revenue in Trading and Service Division recorded a slight increase of 0.6% as compared to previous corresponding period. In fact, the decline in local demand resulted a substantial decrease in the local revenue. However, this was cushioned by higher overseas revenue driven by the increase of overseas demand. In tandem with the marginal improvement in revenue, the division's results increase slightly by 1.7% as compared to last corresponding period.

#### **3) Manufacturing Division**

The revenue in Manufacturing Division has dropped by 18.6% as compared to previous corresponding period which is mainly due to slow demand from both direct export and inter-companies.

The division's results has decreased by 6.5% which is attributed by low sales and fixed manufacturing cost incurred.

### **2. Variation of results against immediate preceding quarter**

The Group recorded revenue of RM79.07 million for the current quarter under review, representing a decrease of 3.8% as compared to RM82.16 million in the immediate preceding quarter. Meanwhile, the Group recorded profit before tax of RM3.53 million, representing an increase of 2.3% as compared to the preceding quarter of RM3.45 million.

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2014

## 3. Commentary on prospect

The Board of Directors is pleased with the performance achieved in the financial year, which was mainly attributed to the Group's adoption of right measures and aggressive marketing strategies.

The Board expects the outlook of financial year 2015 to be satisfactory.

## 4. Profit forecast

Not applicable as no profit forecast was published.

## 5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	31/12/14 RM'000	31/12/13 RM'000	31/12/14 RM'000	31/12/13 RM'000
- Current tax expense	466	1,323	2,213	5,094
- Deferred tax expense	(1)	(1,060)	340	(1,233)
Total	465	263	2,553	3,861

The group's effective tax rate for the period ended 31 December 2014 is 17.3%.

## 6. Status of corporate proposals

There were no corporate proposals during the current quarter.

## 7. Borrowings and debt securities

(a) Bank Borrowings (current and repayable within 1 year)

Details of the Group's bank borrowings as at the end of this reporting period: -

	Foreign Currency '000	31/12/14 RM'000	Foreign Currency '000	31/12/13 RM'000
<b>Bank Overdrafts</b>				
Secured		772		408
Unsecured		316		880
<b>Banker Acceptances</b>				
Unsecured – denominated in Ringgit Malaysia		31,037		34,068
Unsecured – denominated in foreign currency	SGD3,866	10,237	SGD1,220	3,171
<b>Revolving Credit</b>				
Denominated in Ringgit Malaysia		1,250		1,250
Denominated in foreign currency	SGD2,200	5,825	SGD2,200	5,716
Total		49,437		45,493

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2014

## 7. Borrowings and debt securities (Continued)

Secured bank borrowings are secured by fixed charges over the long term leasehold or freehold land and building of certain subsidiary company and are guaranteed by the Company. Unsecured bank overdraft and bankers' acceptances are guaranteed by the Company.

The bank overdrafts bear interest at rates 7.28% (2013 – 7.28%) per annum. The banker acceptances bear interest at rates ranging from 1.49% to 5.75% (2013 – 1.49% to 5.75%) per annum.

### (b) Term Loans

Details of the Group's term loans as at the end of this reporting period :-

	Foreign Currency '000	31/12/14 RM'000	Foreign Currency '000	31/12/13 RM'000
<b>Current Term Loans</b>				
Secured – Denominated in Ringgit Malaysia		1,013		798
Secured – Denominated in foreign currency	SGD193	512	SGD142	370
Total		<u>1,525</u>		<u>1,168</u>
<b>Non-Current Term Loans</b>				
Secured – Denominated in Ringgit Malaysia		16,943		14,108
Secured – Denominated in foreign currency	SGD4,055	10,737	SGD3,164	8,221
Total		<u>27,680</u>		<u>22,329</u>
Grand Total		<u><u>29,205</u></u>		<u><u>23,497</u></u>

Term loans repayment schedule:

	Total RM'000	Under 1 year RM'000	1-2 year RM'000	2-5 year RM'000	Over 5 year RM'000
Secured	29,205	1,525	1,235	3,274	23,171
Total	<u>29,205</u>	<u>1,525</u>	<u>1,235</u>	<u>3,274</u>	<u>23,171</u>

The term loans are secured by :-

- fixed charges over the respective subsidiary's long term leasehold or freehold land and building, and
- corporate guarantee from the Company.

The term loans bear interest at 1.68% to 7.78% (2013 – 1.68% to 7.78%) per annum.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2014

## 7. Borrowings and debt securities (Continued)

### c) Hire Purchase Creditors

Details of the Group's hire purchase creditors as at the end of this reporting period:-

	31/12/14 RM'000	31/12/13 RM'000
Hire Purchase Creditors	2,459	2,014
Less: Interest in suspense	196	146
Balance	<u>2,263</u>	<u>1,868</u>
Repayable within one year	997	837
Repayable one to five years	1,266	1,031
Balance	<u>2,263</u>	<u>1,868</u>

The hire purchase liabilities bear interest at rates ranging from 2.38% to 6.56% (2013 – 2.38% to 6.56%) per annum.

## 8. Dividend

The Company paid an interim tax exempt dividend of 10.00 sen per ordinary share totalling RM4,005,900 in respect of the year ended 31 December 2014 on 29 October 2014. The Board of Directors does not recommend any payment of dividend in respect of the quarter under review.

## 9. Earnings per share

	Individual Period		Cumulative Period	
	Current Quarter 31.12.14	Preceding year corresponding quarter 31.12.14	Twelve Months to 31.12.14	Twelve Months to 31.12.13
Net profit attributable to ordinary equity holders of the parent (RM'000)	3,067	3,169	12,161	16,235
Weighted average number of ordinary shares ('000)	40,059	40,059	40,059	40,059
Basic earning per share (sen)	7.66	7.91	30.36	40.53

Basic earnings per share of the Group is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period.

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2014

## 10. Disclosure of realised and unrealised retained profits

The Group's realised and unrealised retained profits disclosures are as follows:

	As at 31.12.14 (RM'000)	As at 31.12.13 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	68,789	60,879
- Unrealised	1,219	904
Consolidation adjustments	779	860
Total Group retained profits as per consolidated accounts	70,787	62,643

## 11. Profit for the period is arrived at after charging/(crediting):-

	Individual Period		Cumulative Period	
	31.12.14	31.12.13	Twelve Months to 31.12.14	Twelve Months to 31.12.13
	RM '000	RM '000	RM '000	RM '000
Depreciation & Amortisation	1,342	799	4,359	3,293
Net loss / (gain) on disposal of property, plant and equipment	3	(109)	(146)	(4,031)
Foreign exchange loss / (gain)	(846)	161	(1,179)	(313)